



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

FOR IMMEDIATE RELEASE: April 12, 2006

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CITY ATTORNEY'S OFFICE RECOVERS MORE THAN \$4 MILLION FOR CASH-STRAPPED CITY

San Diego, CA: While the City has been in one of the worst fiscal and managerial crises in its history, the City Attorney's Civil Division has recovered \$4,242,530 million from court judgments, settlements and other revenue matters. These significant recoveries from July 2005 through March 2006, were reported today in a memorandum to the Mayor and City Council by City Attorney Michael Aguirre. Furthermore, another \$2,558,000 in pending judgments, settlements, or other recoveries should be finalized within 30-60 days.

"The Office is being more proactive in pursuing new cases that are resulting in real revenue for the City," said City Attorney Michael Aguirre. "Our attorneys in the Civil Division are receiving specialized training in plaintiff's litigation and revenue recovery, and we are working closely with the Audit Division of the City Auditor."

The memorandum specifically cites the following plaintiff's litigation cases that have resulted in settlements or judgments of approximately \$1,892,530 of which \$663,468 goes directly into the General Fund:

- settlement with a City contractor for \$750,000 in a breach of contract action involving a ruptured water main;
- summary judgment granted in the City's favor for \$326,000 plus attorney's fees of \$191,475 in a dispute with SDG&E over relocation of power lines in the Ball Park District; and
- settlements or judgments for approximately \$625,054 in various matters including recovery for unpaid rent, unpaid utility fees, and damage to City property.

Actions instituted by the City Attorney's Office have also resulted in the reinstatement of a \$1,800,000 federal grant for Brown Field and will provide approximately \$1,130,000 in new revenue from the airport property. In August 2005, the FAA withdrew the federal grant for Brown Field due to City property management issues which included allowing City tenants to occupy areas affecting the safety of airport operations and allowing non aeronautic uses of the airport property. The City Attorney's Office undertook numerous eviction actions to remove tenants from those areas deemed unsafe by the FAA, and negotiated with the FAA to allow short term non aeronautic uses on other areas of the property. These actions resulted in the reinstatement of the federal grant in October of 2005.

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In addition to the above matters, City Attorney plaintiff's litigation attorneys undertook a campaign with the City Treasurer's Office Collections Division to publicize, through the media and letters to debtors, the thousands of delinquent debts owed to the City. The Collections Division has determined that as a result of these joint efforts, from October 2005 to February 2006, the City has collected \$550,000 in delinquent debts.

According to Sim von Kalinowski, Construction/Recovery Litigation Chief, the City Attorney's Civil Division is currently prosecuting 13 matters, each with a potential recovery in excess of \$1 million, at least four of which have a potential recovery in the tens of millions. There are 16 additional matters with a potential recovery in excess of \$100,000 each. The time frame for recovery on these matters varies greatly, from a few months up to three years, due to their varying complexity and litigation status.

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